

**PX 108**

## Message

**From:** Chris Larsen [redacted@ripple.com]  
on behalf of Chris Larsen [redacted@ripple.com] <[redacted@ripple.com]>  
**Sent:** 6/3/2014 10:05:33 AM  
**To:** Jed McCaleb [Jed McCaleb - [redacted]]  
**BCC:** [redacted]  
Greg Kidd [redacted]; [redacted@ripple.com]; Monica Long [Monica Long <[redacted@ripple.com]>]; [redacted]  
**Subject:** Resolving your XRP issue

Jed:

I'm writing to recount where we stand in regards to your XRP holdings and to present you options for how to proceed.

When we founded the company in 2012, you, Arthur and I, with guidance from our lawyers and others, determined the best way to proceed was to create 100 billion XRP: you created 45 billion, I created 45 billion, and Arthur created 10 billion.

We also agreed, on August 18, 2012, to a buyback should one of us leave the project before a certain period—for me it was August 2015; for you it was February 1, 2014. At the time, you requested, and I agreed, to give you 12-months credit for the time you already put into the project. Thus, the buyback period for your XRP was approximately 29 months. However, you left the company in May 2013, approximately 8 months before February 1, 2014. By the terms of our agreement, I have the right to buy back the XRP that did not vest, which is 8/29th of 45 billion, or approximately 12.4 billion XRP.

Following the creation of XRP, we (the co-founders) gifted 80 billion XRP to Ripple Labs. As a result of the gift and in return for the risk we assumed, you were left with 9 billion XRP, myself with 9 billion XRP, and Arthur with 2 billion XRP. Since we executed the buyback agreement prior to endowing Ripple Labs, I recognize that your current XRP holding is 9 billion XRP or less and, in the interest of resolving this, I am willing to adjust the buyback claim accordingly.

I've presented to you a number of options over the past several months, remaining flexible to allow you to negotiate terms that would see you well compensated for your stock and XRP, but I have never received a definitive response to the offers, or a viable counter-offer. Those options included:

- Donate your XRP to the foundation to which I've gifted 7 billion XRP to distribute to the underbanked and underserved.
- Donate your XRP to a new foundation, which you create, led by directors and a mission subject to approval by Ripple Labs to ensure a responsible and constructive distribution path for Ripple.

I personally chose to donate my XRP to a foundation and to distribute it separately from my role as CEO.

Because we remain at an impasse, I'm exercising my right to buy back the entirety of your current XRP holdings at the original valuation of \$0.0000013888 per XRP. I will gift your XRP to Ripple Labs upon receipt. Please let me know the

total amount of XRP you still have and the best place to send the money via check or wire. Alternatively, you can choose one of the two options listed above, if you would prefer. My goals in exercising my option and providing you the alternatives are two-fold: 1.) To shield XRP holders, including many early believers in Ripple, from a short-term price shock, which will inevitably result from your declared mass XRP sale set to occur Thursday, June 5, 2014, and 2.) To ensure responsible distribution of your XRP stake in a way that helps grow the Ripple ecosystem.


We have distinct viewpoints on how Ripple will re-architect finance for the betterment of the world. But, I think we still share the desire to see that outcome realized. Let's please resolve your loose ends with the company in a productive way so we can continue on with the important work we both care about so much.

Please let me know by end of day Wednesday, June 4, 2014 how you'd like to proceed.

Thanks,

Chris

**CHRIS LARSEN | CEO**  
**Ripple Labs Inc.**

 [chris@ripple.com](mailto:chris@ripple.com) | [www.ripple.com](http://www.ripple.com) | [www.ripplelabs.com](http://www.ripplelabs.com)

